

## 2 UNDERSTANDING PUBLIC PURCHASING

### 2.1 Definition

**PUBLIC PURCHASING:** The process of purchasing or procurement of an item or service of the proper utility, that meets the needs of the jurisdiction, at the best price, from the most responsive and responsible vendor.

The “process” of purchasing and procurement encompasses all activities for obtaining goods and services including: planning, preparation and processing of a requisition, source selection, solicitation, evaluation, award and contract formation, receipt and acceptance of delivery, and payment and property disposition. Public purchasing, therefore, is made up of many people joining together to accomplish a common goal or task to fulfill the needs of the public.

### 2.2 Purpose the Division of Purchasing

Why is there a Division of Purchasing? Your first thought may be economy of scale or volume purchasing and that is true in most cases. However, bigger is not always better and there are valid arguments for local purchasing by agencies. The Division of Purchasing has delegated levels of purchasing authority to many agencies. Where volume purchasing is desirable and reduced costs are significant, the Division of Purchasing develops and implements statewide contracts. To assure compliance to state statutes, the Division of Purchasing handles or conducts large dollar purchases.

The *primary* functions of the Division of Purchasing are purchasing management, thoughtful policy implementation, adequate training, and monitoring of purchases in accordance with state statutes, in the best interests of the state and the conservation of the taxpayer’s dollars. To be effective, the Division of Purchasing strives to reduce the cost of government, inspire public confidence in government, improve the quality and timeliness of services rendered by agencies, provide a meaningful partnership with the business community and promote honesty and integrity throughout government operations. The centralized purchasing process becomes much more than a technical, clerical exercise. It is a *managerial* function that crosses agency lines, with a primary mandate to conserve public funds.

The Idaho Division of Purchasing currently consists of Purchasing, Federal Surplus Property, the State Records Center, State Postal Services, and the Quick Copy Center.

## 2.3 Mission Statement of The Division of Purchasing

To purchase goods and services by securing maximum value for the tax dollar and to provide service to state agencies and the public in a timely and courteous manner through ethical and impartial relations with vendors and state personnel.

## 2.4 Idaho Statutes

The Idaho Statutes that govern purchasing activity are found in *Idaho Code, Title 67 State Government and State Affairs, Chapter 57, Department of Administration*, specifically 67-5714 through 67-5744. These may be accessed via the internet through the Idaho Purchasing Homepage at: <http://www2.state.id.us/adm/purchasing> or in hard copy published in *Idaho Code, Volume 11*.

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| <u>67-5714</u>  | DIVISION OF PURCHASING   |
| <u>67-5715</u>  | PURPOSE OF ACT   |
| <u>67-5716</u>  | DEFINITION OF TERMS  |
| <u>67-5717</u>  | POWERS AND DUTIES OF THE ADMINISTRATION OF<br>THE DIVISION OF PURCHASING   |
| <u>67-5718</u>  | REQUISITIONS FOR PROPERTY -- NOTICE -- FORM --<br>GUARANTEE -- PROCEDURE FOR BIDDING   |
| <u>67-5718A</u> | ACQUISITION OF PROPERTY BY CONTRACT -- AWARD<br>TO MORE THAN ONE BIDDER -- STANDARDS FOR<br>MULTIPLE AWARDS -- APPROVAL BY ADMINISTRATOR |
| <u>67-5719</u>  | STATEMENT OF SUPPLIES ON HAND – ESTIMATED<br>REQUIREMENTS – INSECTIONS AND INVENTORIES   |
| <u>67-5720</u>  | ACQUISITION IN OPEN MARKET -- EMERGENCY<br>PURCHASES   |
| <u>67-5721</u>  | ACQUISITION OF NONOWNED PROPERTY -- OPTIONS<br>TO ACQUIRE -- DETERMINATION OF OPTION COSTS   |
| <u>67-5722</u>  | SALE, TRADE-IN OR EXCHANGE OF STATE PERSONAL<br>PROPERTY   |
| <u>67-5723</u>  | DISCOUNTS -- NEGOTIATIONS FOR REQUIRED RULES,<br>REGULATIONS AND PROCEDURES  |
| <u>67-5724</u>  | CONTRACTS WITH FEDERAL GOVERNMENT OR ITS<br>AGENCIES EXEMPT FROM CERTAIN PROVISIONS  |
| <u>67-5724A</u> | ACQUISITION OF PROPERTY -- GENERAL SERVICES<br>ADMINISTRATION FEDERAL SUPPLY SCHEDULE<br>CONTRACTS                                       |
| <u>67-5725</u>  | PRESERVATION OF RECORDS -- WRITTEN<br>CONTRACTS – VOID CONTRACTS   |
| <u>67-5726</u>  | PROHIBITIONS   |
| <u>67-5727</u>  | MAINTENANCE OF STOCKS -- REQUISITIONS FROM<br>STOCKS -- PAYMENT  |

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| <u>67-5727A</u> | PARTICIPATION IN GROUP DISCOUNT PURCHASING  |
| <u>67-5729</u>  | APPLICATION OF ADMINISTRATIVE PROCEDURE ACT   |
| <u>67-5730</u>  | QUALIFICATION OF VENDORS – DISQUALIFICATION OF<br>VENDORS – NOTICE -- APPEALS         |
| <u>67-5732</u>  | RULES   |
| <u>67-5732A</u> | SALE OF SURPLUS PROPERTY AUTHORIZED   |
| <u>67-5732B</u> | GOVERNOR'S HOUSING COMMITTEE PERSONAL<br>PROPERTY EXEMPT FROM ACT                     |
| <u>67-5733</u>  | DIVISION OF PURCHASING -- APPEALS   |
| <u>67-5734</u>  | PENALTIES   |
| <u>67-5735</u>  | PROCESSING -- REIMBURSEMENT OF CONTRACTOR   |
| <u>67-5736</u>  | ACCEPTANCE  |
| <u>67-5737</u>  | PROVISIONS OF THIS CHAPTER CONTROLLING --<br>SEVERABILITY                             |
| <u>67-5740</u>  | ADDITIONAL AUTHORITY AND DUTIES OF THE<br>ADMINISTRATOR OF THE DIVISION OF PURCHASING |
| <u>67-5741</u>  | DELEGATION OF DUTIES -- BONDING OF AGENCY<br>PERSONNEL                                |
| <u>67-5742</u>  | DELEGATION OF AUTHORITY TO ACQUIRE SURPLUS<br>PROPERTY                                |
| <u>67-5743</u>  | TRANSFER CHARGES  |
| <u>67-5744</u>  | SURPLUS PROPERTY FUND MAINTAINED -- CHARGES<br>AND FEES, DEPOSITION                   |

## 2.5 Division of Purchasing Rules

The Division of Purchasing Rules are found in *Idaho Administrative Code, IDAPA 38, Title 05, Chapter 01* and may be accessed through the Division of Purchasing website. Each chapter of this guide also includes references to the applicable rules specific to that subject.

Please note that all references to purchasing, procurement, rules, and contracts herein relate to activities administered by the Division of Purchasing and not to activities by the Division of Public Works (construction and building projects). Even though the Division of Public Works operates under many of the same statutes and rules, they have different purchasing authorities, rules for vendors, etc. For information regarding public works projects contact the Division of Public Works at 208-332-1900.